

January 18, 1973

\$4,000.00 that is 100% increase, that is a substantial increase. I would hope that the body would agree with me and we would adopt this amendment.

SPEAKER: Ready for the discussion of the Epke amendment?
Senator Carsten.

SENATOR CARSTEN: Mr. President, I've been thinking about this, I have no particular, I may just ask for \$8,000.00 exemption, I have no particular figure in mind, except that the \$2,000.00 is rather ridiculous, \$2,000.00 was set in 1879, when \$2,000.00 if we look at it honestly and realistically, a \$2,000.00 homestead exemption, I want to explain this homestead exemption. I think there are many members who might be a little confused about this. The homestead exemption that we refer to has nothing to do with the exemptions that we have been talking about in the last two or three sessions having to do with property tax exemption. This exemption is an exemption granted by law to head's of families who own a homestead under the definition of homestead, which in Nebraska is in cities and urban areas a house located

(End of Belt #2)

(Start Belt #3)

on not more than two lots, occupied as a family dwelling, that's a homestead, and in the rural areas it is that including not more than 160 acres of land, now we have a different homestead talking about one acre of land in rural areas, in connection with a property tax exemption, but I don't want to confuse anybody, it has nothing to do with this. Now what is this exemption, when a person owning this type of property, a homestead that qualifies for homestead is sued by a creditor and judgement is obtained, and the property is sold under execution sale, the first \$2,000.00 at the present time of that property is exempt from sale, from execution, it is exempt from execution. Now tune your mind back to 1879, and tune your mind back to the thought, to the idea and the knowledge that the wages at that time were 50¢ possibly \$1.00 a day for 60, 70, 80 hour week. The cost of homes at that time was comparably little as compared to what it is now in dollars. At that time a \$2,000.00 exemption in all likelihood would have exempted totally not \$2,000.00 of the value, but the total value of all homes existing at least 90-95% of the cases. Now at the present time in, I recall in 1939, when I started practicing law, the FHA was making loans, 90% loans for homes. The top of the loan, the maximum loan at that time was \$2,500.00, and buying a home, buying the lot, building a home for \$2,500.00. Now at the present time a 235 home, FHA 235 home built, which is the cheapest construction, that you can contract for, in our community sells for \$18,000.00, which is nine times the homestead exemption. So I do not think the \$2,000.00 exemption is at all realistic and I do not think that \$8,000.00 is too much. But I will go along for the sake of getting something done, along this line, it will at least avoid some hardship in the case of execution sales with the \$4,000.00. I would much rather of had it at \$5,000.00 at least, but I'm not going to argue about it.

SPEAKER: The body has before it the amendment by Senator Epke. The Chair recognizes Senator Proud, then Senator Cal Carsten.

SENATOR PROUD: Question Mr. President of Senator Carsten.

SPEAKER: Senator Carsten will you yield to a question?

SENATOR PROUD: Senator did you say that this referred to heads of families?

SENATOR CARSTEN: Yes.